

LNG Deepwater Port Licensing

Sacramento, CA

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presented by Keith Lesnick

History of the Deep Water Port Act

- Passed in 1974 to authorize and regulate location, ownership, construction & operation
- Protect the marine & coastal environment against any adverse impacts
- Protect the interests of the U.S. & adjacent coastal states
- Protect the rights and responsibilities of States and communities to regulate growth, determine land use, and otherwise protect the environment
- Promote the construction & operation as a safe and effective means of transporting oil
- Promote oil & natural gas production on the Outer Continental Shelf

Licensing Timeline

- U.S. Coast Guard has a maximum of 21 calendar days from application submittal to perform a completeness review, then has 5 calendar days to publish a Notice of Application filing in the Federal Register.
- Federal Register notice triggers a maximum 240 day application review period, including a NEPA process and final public hearing.
- DWPA mandates at least one public hearing in each adjacent coastal State with the final public hearing occurring no later than 240 days after the Federal Register notice.
- Final public hearing triggers a maximum 90 calendar day deadline for the Maritime Administrator to make a Record of Decision on whether to grant, grant with conditions, or deny the application.

Participating Federal Agencies

- U.S. Department of Commerce
- U.S. Department of Defense
- U.S. Department of Energy
- U.S. Department of the Interior
- U.S. Department of State
- U.S. Department of Transportation
- U.S. Environmental Protection Agency
- Federal Energy Regulatory Commission
- Council on Environmental Quality

The Deepwater Port Act License Requirements

Maritime Administration (MARAD) and United States Coast Guard (Coast Guard) were delegated joint responsibility by the Secretary of Transportation for processing deepwater port license applications. The Secretary of Transportation has delegated to the Maritime Administrator the authority and responsibility to issue deepwater port licenses.

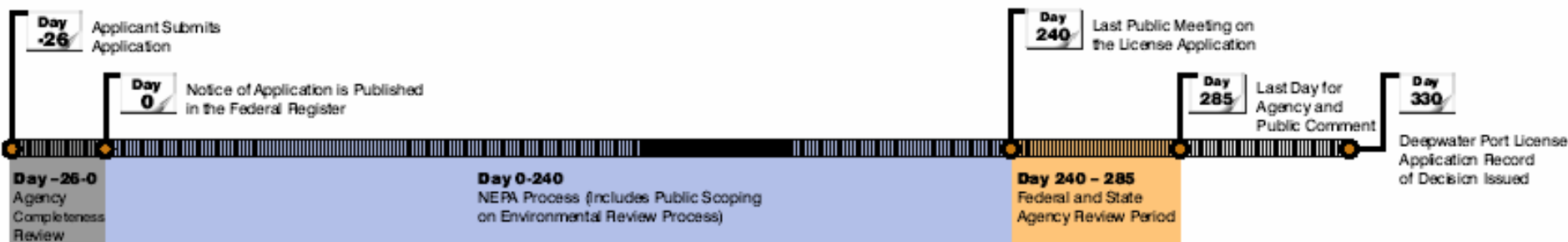


In making a decision to approve or disapprove an application to own, construct and operate a deepwater port, the Maritime Administrator must consider the following:

1. The applicant must be financially responsible.
2. The applicant is able to comply with relevant laws, regulations, and license conditions.
3. The deepwater port is in the national interest and consistent with national security, energy sufficiency and environmental quality policy goals.
4. The deepwater port should not unreasonably interfere with international navigation.
5. The deepwater port will be constructed and operated to prevent or minimize adverse impact on the marine environment.
6. The deepwater port will comply with national environmental laws.
7. There must be in place an approved coastal zone management program.
8. The Secretaries of the Army, State, and Defense were consulted and the effect on their programs considered.
9. Whether the governor of the adjacent coastal state approves or has presumed to approve the deepwater port.

The Deepwater Port Act Timeline

The Deepwater Port Act requires that a decision be made within 330 days after the Notice of Application has been published in the Federal Register.





On-going Activities

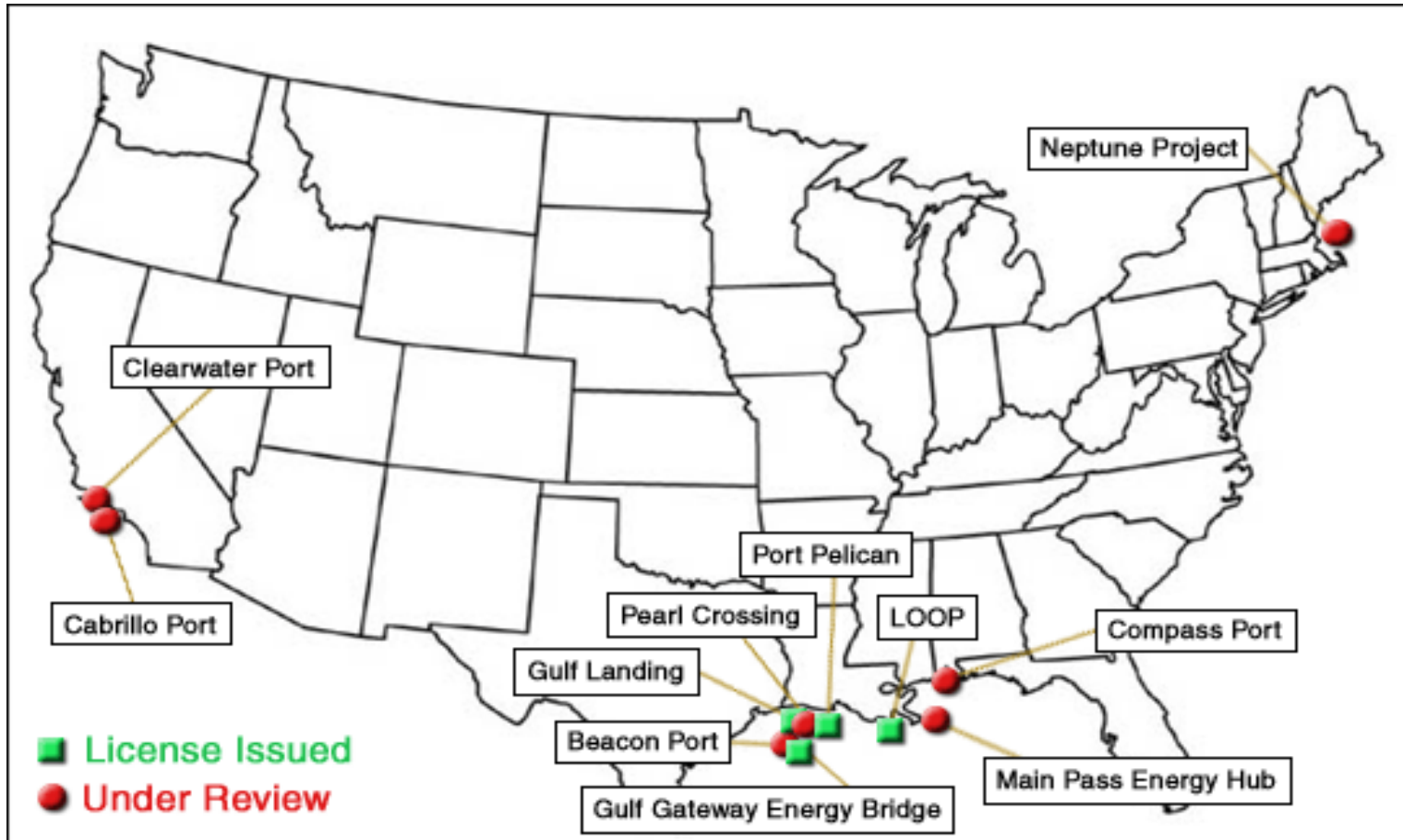
- Attend application pre-filing meetings
- Facilitate inter-agency coordination
- Evaluate financial feasibility and approve decommissioning guarantee
- Track and report project status and critical dates
- Participate in development of environmental impact statements
- Participate in project scoping and final public hearings
- Develop Record of Decision and License documents

Benefits of LNG deepwater Ports

- Reduces overall port congestion
- Provides safer alternatives for delivery and regasification of LNG
- Creates greater efficiencies in transmission of energy from source to consumer
- Increases fuel sources available for growing US energy needs
 - LNG imports are projected by DOE to increase 1,348% by the year 2025, from 0.4 tcf to 6.37 tcf*

* Tcf = trillion cubic feet

Proposed and pending offshore deepwater port LNG terminals





Questions?

<http://marad.dot.gov/dwp>